

SUMMARY

ARKANSAS INSURANCE DEPARTMENT PROPOSED AMENDED RULE 5
COMPANIES ANTIFRAUD ASSESSMENT

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To: Arkansas Legislative Council & Arkansas Bureau of Legislative Research

From: Jim Brader, General Counsel, Arkansas Insurance Department

CC: Alan McClain, Arkansas Insurance Commissioner;
Russ Galbraith, Deputy Insurance Commissioner;
Jennifer Bruce, Public and Legislative Affairs Director
Steven Porch, General Counsel, Arkansas Commerce Department

Date: February 8, 2022

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LEGISLATIVE AUTHORITY FOR RULE

Ark. Code Ann. § 23-100-106 and 23-61-108.

BACKGROUND AND PURPOSE OF RULE

The purpose of the proposed amendment to Rule 5 is to align the rule with Ark. Code Ann. § 23-100-104, which governs when and how insurance companies submit the annual antifraud fee. The governing statute was amended in 2017 by Act 283, § 22, which moved the due date from June 30th to June 1st each year. Current AID Rule 5 became effective in 1999 prior to that legislative change; this amendment to the rule properly aligns the due date with date in the statute. It also clarifies that the method of submitting the amount to the Arkansas Insurance Department is electronically through the “OptIns” System.